

STATINTL

COMPTROLLER GENERAL OF THE UNITED STATES
Washington 25

B-115301

August 12, 1953

Honorable Allen W. Dulles, Director
Central Intelligence Agency

My dear Mr. Dulles:

The Chairman of the House Appropriations Committee has requested the General Accounting Office and the General Services Administration to make a survey of electrical business machines used throughout the Government service with a view to obtaining more economical use of such equipment. He also has indicated that electrical typewriters should be included in the survey. This matter was referred to on page 2 of the Committee's report on the First Independent Offices Appropriation Bill, 1954, House Report No. 276, 83rd Congress.

It is the desire of the Committee that our report be submitted at the beginning of the next regular session of the Congress.

Because of the scope of the undertaking, it has been agreed with the General Services Administration that the General Accounting Office will assume leadership for the survey with respect to punch card equipment, bookkeeping machines and electronic computers. The General Services Administration will assume leadership for the remainder of the equipment to be included in the survey and, accordingly, this letter is concerned only with those phases of the survey for which this Office will assume leadership. In some situations it will be necessary for a punch card or bookkeeping machine installation to include some of the equipment being surveyed by the General Services Administration, such as addressing equipment, electric typewriters, adding machines, etc., in order to adequately present the installation report and the functions performed by the installation. However, the agency will also report such auxiliary machines to General Services Administration to be included in its overall report of such equipment.

One step in the survey will be the assembly of data with respect to each installation. A tabular form along with provision for a narrative supplement and instructions for their preparation is attached which will serve this purpose. This material is to be submitted not later than October 15, 1953. Through the use of this media each agency will have the opportunity to present background data and its own evaluation of the effectiveness of its installation(s). These reports will be forwarded to the Committee along with our comments.

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A specific report form to be followed for electronic computer installations has not been provided because they are few in number and involve specialized problems. Provisions for such reports will be worked out individually with the agencies concerned by a designated GAO representative.

Another step will be an on-site survey by this Office to the extent deemed appropriate and within the limit of our available facilities. The pattern to be followed in scheduling such surveys will be discussed with your agency by a designated General Accounting Office representative. It will be our purpose to accomplish such surveys with a minimum of inconvenience to the agency and with appropriate cognizance of any data already available.

In some cases, it will likely be advantageous for the General Accounting Office to obtain assistance from other agencies of the Government who have staff personnel with particular competence in specialized fields. This would seem to be the case with regard to electronic computer installations and some types of statistical installations. It will be our purpose to utilize such assistance to the extent it is available and deemed appropriate.

In order that we may move forward as soon as possible with on-site surveys, without waiting for the receipt of the data to be included in the report due October 15, 1953, it is requested that you notify the Accounting Systems Division of this Office the name of your designated representative with whom we may deal. We will then have a designated General Accounting Office representative get in touch with him to make necessary arrangements and to be available for discussion of any questions that may arise in connection with the attached request for data.

The task involved is a difficult one at best. Your cooperation and assistance are earnestly requested to the end that useful and accurate data may be furnished to the Committee on a timely basis.

Sincerely yours,

(Signed) Frank H. Weitzel
Acting Comptroller General
of the United States

Attachment

EXHIBIT A

Installation
ReportElectrical Business Machines Survey
for House Appropriations Committee

Organizational Unit	Location (city)
Bureau	Appropriation or other Budget Identification
Department or Agency	

Units of Equipment - Rented or Owned - June 30, 1953*

Trade Name:	Description:	Units:	Percent of No. of Utilization FY. 1953 :	Annual Rental:	Purchase Price	
					Under 3 Years of Age:	Over 3 Years of Age

Operating Data 1953 Fiscal Year			
		Man Years	Amount
Analysis of Contract Services:	Operating Personnel		
	Supporting Personnel		
	Other Personnel		
	Total		
	Machine rental	xxx	
	Card and paper supplies	xxx	
	Contract services	xxx	
	Total		

Planned Expansion or Reduction in F.Y. 1954:

Functions Performed:

* Auxiliary equipment, such as addressing equipment, electric typewriters, adding machines, etc., included to adequately present the installation and the functions performed by it, should be listed on a separate schedule and attached to the appropriate installation report.

This format is provided to obtain a reasonable degree of similarity and consistency in all presentations. Blank forms, if used, will be supplied by the agency. Deviations from the designated GAO representative

I. Instructions for Preparation - Exhibit A Installation Report

A report will be prepared for each punch card and bookkeeping machine installation. Ordinarily, a separate report should be prepared for each but in appropriate circumstances where one type of equipment or the other is incidental, the two types of equipment may be included in a single report. Similarly, where the installation is based on dual-type equipment a single report will be used. Moreover, in some situations, it may be logical to include certain other types of equipment (e.g., specially designed addressing equipment, electric typewriters, adding machines, etc.) which are such an integral part of the total equipment installation as to warrant consideration in this phase of the survey even though some of these types are also reported to General Services Administration under its survey.

Where a subsidiary organizational unit or a bureau has more than one installation a summary report (for each unit or bureau) so designated should be prepared in addition to one report for each installation. If a summary for an entire department or large agency is deemed necessary, it will be worked out individually with the department or agency by the designated GAO representative.

Exhibit A Installation Report and the accompanying narrative supplement shall be submitted to the General Accounting Office (Accounting Systems Division) in an original and two (2) copies not later than October 15, 1953.

It is believed that the captions on Exhibit A Installation Report are generally self-explanatory except as noted below. Any questions should be referred to the designated General Accounting Office representative.

Appropriation or Other Budget Identification - This item is intended as a key for the Appropriations Sub-committee and should be related to the presentation of justification material so that inquiries at appropriation hearings may be addressed to the responsible management entity. If several appropriations or other budget identifications are used to finance the installation, each should be listed with amount charged to each.

Description - Use the Manufacturer's machine type or model number.

Percent of Utilization FY 1953 - This data should be furnished where such statistics have been currently maintained. An 8-hour day should be used as the basis except where multiple shift operations are conducted. If substantial overtime has been employed, it should be so indicated in a footnote. Similarly, second shift or overtime rental should be shown.

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Operating Personnel - This is intended to reflect personnel directly engaged in operating the machines. Averages may be used in lieu of actual data where the data available does not precisely fit this request.

Supporting Personnel - This is intended to reflect personnel required to place documents in order for machine processing, (e.g., coding, blocking, balancing, etc.) but should not include creation of source documents, audit processes not performed mechanically and similar operations that would be performed whether or not machines were used. Averages may be used as above.

Other Personnel - This item is intended to reflect personnel engaged in planning or other staff activities directly related to machine operations but not properly included under the categories described above.

Card and Paper Supplies - Include, as nearly as practicable on a use basis, tabulating cards, listing paper, register forms, ledger and proof sheets, bill forms, etc.

Contract Services - Include work performed by other Government agencies on a reimbursable basis as well as contractual services by private service bureaus. Indicate name of each agency or private service bureau with amount of contract applicable to each.

Functions Performed - A brief explanation should be included under this caption with supplementary material to be attached where necessary to present an understandable description of major functions. Where many individual jobs of an unrelated character are also performed a "miscellaneous" category should be used and should be supported by a schedule with specific identification of repetitive jobs. Where several field installations perform identical functions the description of them need be shown only on the summary. Some measure of the relative effort devoted to each function should be indicated. This can be done by a percentage distribution and/or by a distribution of the total dollar cost shown under operating data. Such information need not be shown in detail for miscellaneous jobs unless a substantial portion of the total is involved.

In any case where the space provided is inadequate use an attachment.

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II. Narrative Supplement

Comments concerning the points outlined below may be submitted on basis of an organizational unit below the bureau level, by bureau or in some cases by agency, where appropriate. In general, the comments should be consistent with the management entity responsible for the point under discussion. Schedules or tables may be used where appropriate.

A. Special Factors

Under this heading explain any special or unusual circumstances that are believed to be peculiar to your installation(s) and which create special problems relative to machines, personnel, etc. This heading may be used to supplement the background data shown on Exhibit A in tabular form.

B. Management Controls

Under this heading outline briefly the management control devices in use such as: authorization required to undertake new jobs or discontinue existing ones; extent of standardized procedures; type of utilization reports or other workload data, how developed and how used; production standards and their use; bases for ordering or releasing equipment; policy relative to standby equipment, periodic surveys or inspections; and any other controls considered pertinent. Statistics on machines discontinued or declared excess from January 1, 1953 through June 30, 1953 will be included under this heading.

C. Agency Evaluation

Under this heading indicate why present approach is deemed most effective means of accomplishing the job, including, where appropriate, such factors as: economies involved in using equipment, volume, repetitive or multiple use of media, speed required to obtain end product, reports prepared and use made of them, mechanical accuracy, and any other factors considered pertinent.

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D. Discussion of Possibilities for Economy through Consolidation of Installations

The Appropriations Committee is interested in the possibilities of economies which might result from larger units (e.g., fewer geographical locations leading to reduction of idle time, etc., in marginal or small installations) or by the operation of service units available to more than one bureau or agency. Cover any pertinent factors not previously discussed under other headings.

III. Analysis of Machines Not in Use

Where the agency has machines not in use and not covered by the installation reports, a separate report should be prepared showing them as warehouse stock or dead storage, (either excess or surplus) with an explanation regarding the necessity for each type and plans for their use or disposition.